

demned the management of the Welsbach Company, root and branch, and urged that Sir Henry Burdett and his co-Directors should be at once turned out.

It was for the purpose of considering this Report that the meeting of the shareholders was held on January 15th, and what then transpired may best be told in the words of a leading London daily, the "Morning Post":—

Perhaps never in the history of Joint Stock Companies has a more sweeping denunciation been made against a chairman and board of directors than that put forward by the committee engaged in this investigation—a denunciation which was emphatically endorsed with practical unanimity by the whole body of shareholders present at the meeting. The indignation manifested from the first by the shareholders against the chairman, Sir Henry Burdett, was so pronounced that constant interruptions ensued, and towards the end the meeting degenerated into a pandemonium.

After the chairman had read a lengthy and very lame defence, the Hon. Philip Stanhope replied, and gave some details of gross financial mismanagement of the Company. For example, a financial transaction was entered into, whereby, instead of obtaining the usual loan from the Capital and Counties Bank for the winter trade, the board, despite the protests of the committee, went outside and got a broker to lend them £40,000, paying him a commission of 3 per cent., £25,000 being found on October 1 and £15,000 by December 31. The loan was to be repaid on May 31, and a debenture to be given on all the assets of the company. (Shame.)

The Chairman: That is not a fact.

Mr. Stanhope (continuing) said the debenture was issued at a half discount; to be redeemed at par, which really meant another 1 per cent., and, in addition interest was paid of 5 per cent. (Scandalous.) Allowing for the various periods of raising money, it meant that they were paying interest of between 10 per cent. and 12 per cent. per annum. He had ascertained that the Capital and Counties Bank had never been asked to lend the money as heretofore, and if they had been they would willingly have done so at $\frac{1}{2}$ per cent. above the Bank rate without any commission whatsoever.

SERIOUS ALLEGATION.

That instance was bad enough, but he would venture to give another which was worse, and which had occurred within the last two months or indeed within the last few weeks. This was in regard to the cotton mantles which were required, and which they were obtaining from a German firm at 66s. 8d. per thousand. The company obtained an English quotation of 34s. 6d., with the result that the German quotation was reduced to 46s. 8d. per thousand. The English firm was the English Sewing Cotton Company, and mantles supplied by them at 34s. 6d. per thousand were admitted to be excellent for the company's purposes by its own expert. In spite of that, the board on November 19th gave an order to the German firm—the head of the firm being summoned over to England by telegraph on November 7th or 8th—for 20,000,000 mantles—a four times larger order than ever previously given—at 46s. 8d. per thousand—(Scandalous)—or exactly 12s. 2d. above the quotation of the English firm, which meant a dead

loss to the Welsbach Company of £12,000. (Hisses and cries of Outrageous.) That was the sort of thing their chairman and board had done for them, and the order was given in November, when the custom hitherto had been not to give orders until March.

We presume that every one of our readers will understand the seriousness of these deliberately made statements. But even greater surprise will be felt at another allegation which was made.

ATTEMPTS TO HOODWINK THE COMMITTEE.

Mr. E. Williamson (a member of the committee) supported the adoption of the committee's report. He said that, whatever else the committee lacked, they had had one thing which the board had not, viz., practical commonsense. (Hear, hear.) He said the committee had been led away by untrue statements in the course of their investigations, and every endeavour has been made to hoodwink the committee, so that they might in turn mislead the shareholders. He could give a good many instances, but one would suffice. He asserted that the chairman purposely tried to mislead the committee in regard to the Kern burner and the loss entailed, and that he read to the committee a balance-sheet making the loss £479, when as a matter of fact, on his (the speaker) casting up the figures, he found it was over £21,000.

The Chairman: I did nothing of the kind.

Mr. Williamson appealed to his fellow members of the committee as to the accuracy of his statement.

All the members of the committee asserted that Mr. Williamson's statement was accurate.

The Chairman: It is absolutely false.

Mr. Williamson, continuing, said the chairman had made a deliberate attempt to put a false view before the shareholders in regard to other matters, and especially the extraordinary banking transaction. Considerable interruption ensued at this point, and later Mr. Williamson said that the chairman had made much as regarded the Kern burner and the anti-vibrator, and the contention of the committee had not been against the purchase of these patents, but against the onerous terms on which they were bought, entailing an expenditure of about £80,000 in cash of the working capital of the company. If they added together the various amounts involved in the unjustifiable purchases made by the board they came to an absolutely appalling figure. In the report issued by the chairman reference was made to "the attack of the committee." He wished to say once for all that the committee had made no attack, but it had made a most exhaustive and independent report to the shareholders. (Loud applause.)

The Chairman endeavoured to read a statement in regard to the United States Company, but was cried down.

A Shareholder: Can anything the chairman possibly says restore confidence? (No, no.)

The Chairman said that as regarded Mr. Williamson's remarks they were actuated by personal malice, as that gentleman had said to him that he would never forgive him because he had lost £1,500 in the company. (Uproar.) He denied the accuracy of the statement in regard to the Kern burner, and said that he had only read from a balance-sheet given him by the accountant, Mr. Harper. He (the chairman) could have no possible reason for deceiving the committee on that point.

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